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ANALYSIS OF THE NEGATIVE AND POSITIVE IMPACT OF INSTITUTIONAL FACTORS ON UNEMPLOYMENT IN VISEGRAD COUNTRIES

Abstract:

The objective of our analysis is to associate V4 Member States indicators with the selected institutional factors of the labour market. In addition, it aims at extending the Sekhon's standard model for inflation with institutional factors. For the purposes of estimating the NAIRU in V4 countries, we intend to use the Kalman filter method with a higher than common smoothing coefficient. The model's data will produce a specific period in which the institutional factors actually have a negative effect or positive effect onto the unemployment rate in individual countries. Finally, the analysis of the character and intensity of the impact of institutional factors onto the unemployment rate in individual V4 countries should indicate space for a wider application of institutional characters by economic policymakers. They should be warned about the threat of overusing the institutional factors having a negative effect onto the development of both structural and cyclical unemployment.

Keywords:

unemployment, NAIRU, institutional factors, labor market, V4

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